

House Engrossed

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
First Regular Session  
2001

CHAPTER 237

# HOUSE BILL 2632

AN ACT

AMENDING LAWS 1999, FIRST SPECIAL SESSION, CHAPTER 2, SECTIONS 6, 7 AND 8;  
MAKING CAPITAL OUTLAY APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE  
STATE AND FOR STATE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



**JANE DEE HULL**  
GOVERNOR  
STATE OF ARIZONA

April 24, 2001

The Honorable James Weiers  
Speaker, Arizona House of Representatives  
1700 West Washington  
Phoenix, Arizona 85007

RE: House Bill 2632 capital outlay appropriations

Dear Speaker Weiers:

Today I signed into law House Bill 2632, capital outlay appropriations, while exercising my line-item veto authority. My reasons are fully explained in the letter that accompanies House Bill 2631; in a nutshell, I am concerned that this budget spends more money than we can afford.

The specific vetoes are as follows:

**General Fund**

Page 2, lines 21 through 35: board of regents building renewal program.

Page 2, line 39: department of administration building renewal program.

Page 8, line 13: the fiscal year 2002 appropriation for the state health lab.

Page 8, line 27: the fiscal year 2002 appropriation for the library and archives building.

**Corrections Fund**

In addition to the above vetoes, I used my authority to strike the actions of the legislature on page 1, line 7, in essence restoring correction fund monies for fiscal year 2003 for the prison complex. This was done to provide the state with the flexibility necessary to address our public safety needs should inmate growth surge and additional facilities be required. I assure the Legislature that these monies will be used only if population growth warrants new beds.

Sincerely,

  
JANE DEE HULL  
Governor

cc: The Honorable Betsey Bayless  
The Honorable Randall Gnant  
The Honorable Ruth Solomon  
The Honorable Laura Knaperek

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Laws 1999, first special session, chapter 2, section 6 is  
3 amended to read:

4 Sec. 6. Appropriations; prison complex; review; matching monies

5 A. The sum of ~~\$21,980,800~~ \$10,000,000 in fiscal year 1999-2000,  
6 ~~\$21,957,400 in fiscal year 2000-2001, \$88,930,800 in fiscal year 2001-2002~~  
7 ~~and \$30,069,700 in fiscal year 2002-2003~~ are IS appropriated from the  
8 corrections fund to the department of administration for the design and  
9 construction of a four thousand two hundred bed prison complex established  
10 through separate legislation. The project shall include all related  
11 infrastructure and complex buildings. Of the amounts AMOUNT appropriated,  
12 up to ~~\$850,000~~ \$125,000 and sixteen TWO full-time employees may be allocated  
13 each fiscal year to oversee and manage the project until its completion.

14 B. The department of administration shall submit in writing the  
15 proposed number of beds for the complex by security level to the joint  
16 committee on capital review. Before any expenditure for construction of the  
17 complex, the department of administration shall submit the scope, purpose and  
18 estimated cost of the project to the joint committee on capital review for  
19 its review.

20 C. The monies appropriated for the construction of the complex shall  
21 be considered state matching monies to any available federal monies.

22 Sec. 2. Laws 1999, first special session, chapter 2, section 7 is  
23 amended to read:

24 Sec. 7. Intent; use of monies

25 A. ~~The sum of \$64,980,800 in fiscal year 2001-2002 and \$8,119,700 in~~  
26 ~~fiscal year 2002-2003 are appropriated from the state general fund to the~~  
27 ~~corrections fund for the purposes of section 6 of this act.~~

28 B. It is the intent of the legislature that all available monies from  
29 the state department of corrections truth-in-sentencing, violent offenders  
30 federal grant receipts account be used for the purposes of section 6 of this  
31 act.

32 Sec. 3. Laws 1999, first special session, chapter 2, section 8 is  
33 amended to read:

34 Sec. 8. Appropriation; highway expansion and extension loan  
35 program fund

36 The sum of \$20,000,000 is appropriated from the state general fund in  
37 fiscal year 2000-2001, ~~fiscal year 2001-2002 and fiscal year 2002-2003~~ for  
38 deposit into the highway expansion and extension loan program fund.

39 Sec. 4. Capital outlay appropriations; major maintenance and  
40 repair of state buildings

41 A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the  
42 amounts appropriated in this section are appropriated for fiscal year  
43 2001-2002 and fiscal year 2002-2003 and shall be used by the applicable  
44 agency for major maintenance and repair activities for state buildings in  
45 accordance with title 41, chapter 4, article 7, Arizona Revised Statutes.

Twenty-five per cent or less of the monies may be spent for state building modifications to comply with the federal Americans with disabilities act (42 United States Code sections 12101 through 12213 and 47 United States Code sections 225 and 611) or for major maintenance and repair activities for state infrastructure. The monies may only be used for facilities on the state building inventory or for infrastructure that directly supports those facilities. Of the amounts appropriated to the Arizona department of administration, up to \$275,000 in personal services and employee related expenditures for up to five full-time employee positions may be allocated each fiscal year until the building renewal projects are completed. All other monies appropriated in this section shall not be spent for personal services or employee related expenditures or for maintenance contracts on building components and equipment without review by the joint committee on capital review. Any monies appropriated for building renewal in fiscal year 2001-2002 that are unexpended or unencumbered on September 30, 2003 shall revert to the fund from which they were appropriated. Any monies appropriated for building renewal in fiscal year 2002-2003 that are unexpended or unencumbered on September 30, 2004 shall revert to the fund from which they were appropriated.

	<u>2001-02</u>	<u>2002-03</u>
<del>B. ARIZONA BOARD OF REGENTS</del>	<del>\$ 27,493,000</del>	<del>\$ 29,667,900</del>
<del>Fund source:</del>		
<del>State general fund</del>	<del>\$ 27,493,000</del>	<del>\$ 29,667,900</del>
<del>The Arizona board of regents shall require each university to establish a major maintenance and repair account for deposit of amounts allocated to the university in this subsection. Unless otherwise specified in this subsection, amounts deposited in this account shall only be used for the purpose provided in subsection A of this section and shall be audited annually by the board.</del>		
<del>Of the \$27,493,000 appropriated in fiscal year 2001-2002, \$4,189,300 shall be allocated to Northern Arizona university for building renewal and debt service on revenue bond issuances. Before the expenditure of any monies, the Arizona board of regents and Northern Arizona university shall submit an expenditure plan for the \$4,189,300 to the joint committee on capital review for its review.</del>		

	<u>2001-02</u>	<u>2002-03</u>
C. DEPARTMENT OF ADMINISTRATION	\$ 12,348,900	\$ 13,403,900
Fund sources:		
State general fund	\$ 2,904,700	\$ 2,900,800
Capital outlay stabilization fund	\$ 3,304,000	\$ 3,749,100
Corrections fund	\$ 5,959,600	\$ 6,567,900
Miners' hospital fund	\$ 180,600	\$ 186,100
The department of administration shall allocate the monies to state agencies for necessary building renewal. If monies in the capital outlay stabilization fund are insufficient to fund the appropriation to the		

department of administration for building renewal, the appropriation to the department of administration shall be reduced by the difference between the amount appropriated to the department of administration from the capital outlay stabilization fund and the balance in the capital outlay stabilization fund.

Of the \$5,959,600 appropriated from the corrections fund in fiscal year 2001-2002, \$5,518,800 shall be used for department of corrections building renewal and \$440,800 shall be used for department of juvenile corrections building renewal. Of the \$6,567,900 appropriated from the corrections fund in fiscal year 2002-2003, \$6,080,800 shall be used for department of corrections building renewal and \$487,100 shall be used for department of juvenile corrections building renewal.

The \$180,600 appropriated from the miners' hospital fund in fiscal year 2001-2002 and the \$186,100 appropriated from the miners' hospital fund in fiscal year 2002-2003 shall be used for building renewal at the Arizona pioneers' home.

	<u>2001-02</u>	<u>2002-03</u>
D. DEPARTMENT OF TRANSPORTATION	\$ 2,740,900	\$ 2,832,500
Fund source:		
State highway fund	\$ 2,740,900	\$ 2,832,500
	<u>2001-02</u>	<u>2002-03</u>
E. ARIZONA EXPOSITION AND STATE FAIR		
BOARD	\$ 1,147,100	\$ 1,209,700
Fund source:		
Arizona exposition and state fair fund	\$ 1,147,100	\$ 1,209,700
	<u>2001-02</u>	<u>2002-03</u>
F. GAME AND FISH DEPARTMENT	\$ 307,600	\$ 331,000
Fund source:		
Game and fish fund	\$ 307,600	\$ 331,000
	<u>2001-02</u>	<u>2002-03</u>
G. ARIZONA LOTTERY COMMISSION	\$ 34,700	\$ 38,300
Fund source:		
State lottery fund	\$ 34,700	\$ 38,300
	<u>2001-02</u>	<u>2002-03</u>
H. DEPARTMENT OF HEALTH SERVICES	\$ 75,800	\$ 78,900
Fund source:		
Southern Arizona mental health center building renewal fund	\$ 75,800	\$ 78,900
Sec. 5. <u>Capital outlay appropriations; major capital projects;</u>		
<u>department of economic security</u>		<u>2002-03</u>
Department of economic security:		
1. <u>Title XIX Renovations at ATP-Coolidge</u>		\$ 155,900

1 Fund source:  
2 State general fund \$ 155,900  
3 Sec. 6. Capital outlay appropriations; major capital projects;  
4 department of administration

	<u>2001-02</u>	<u>2002-03</u>
5 Department of administration:		
6 1. <u>Arizona schools for the deaf</u>		
7 <u>and the blind Phoenix</u>		
8 <u>transportation building</u>	\$ 427,700	- 0 -
9 Fund source:		
10 State general fund	\$ 427,700	- 0 -
11 2. <u>Department of corrections</u>		
12 <u>safety improvements</u>	\$ 1,379,400	- 0 -
13 Fund source:		
14 Corrections fund	\$ 1,379,400	- 0 -
15 Before the expenditure of any monies from the department of		
16 corrections safety improvements appropriations, the Arizona department of		
17 administration shall submit an expenditure plan for review by the joint		
18 committee on capital review.		
19 3. <u>Department of corrections</u>		
20 <u>lock replacement</u>	\$ 18,538,600	\$1,848,600
21 Fund source:		
22 Corrections fund	\$ 18,538,600	\$ 1,848,600
23 The department of administration may expend a portion of the amounts		
24 appropriated for lock replacement for an assessment of all locking systems		
25 at Arizona state prisons. Before the expenditure of any monies for actual		
26 lock replacement, the department of administration shall submit the		
27 assessment and an expenditure plan prioritizing lock replacement projects		
28 throughout the prison system to the joint committee on capital review for its		
29 review. After the joint committee on capital review completes its review of		
30 the expenditure plan, the department of administration shall provide monthly		
31 status updates to the joint committee on capital review.		
32 Of the amounts appropriated, the department of administration may		
33 allocate up to \$180,000 in personal services and employee related		
34 expenditures for up to three full-time employee positions in each fiscal year		
35 to oversee and manage the project until its completion.		
36 4. <u>Department of corrections</u>		
37 <u>Fort Grant landfill closure</u>	\$ 555,300	- 0 -
38 Fund source:		
39 Corrections fund	\$ 555,300	- 0 -
40 5. <u>Department of juvenile</u>		
41 <u>corrections medical unit</u>	\$ 785,000	- 0 -
42 Fund source:		
43 Corrections fund	\$ 785,000	- 0 -
44		

1	6. <u>Department of juvenile corrections</u>		
2	<u>HVAC replacements/renovations</u>	\$ 1,482,000	- 0 -
3	Fund source:		
4	Corrections fund	\$ 1,482,000	- 0 -
5	7. <u>Privatized lease to own</u>		
6	<u>project management</u>	\$ 162,400	\$ 143,500
7	Fund source:		
8	Certificates of participation fund	\$ 162,400	\$ 143,500
9	The amounts appropriated to the department of administration are for		
10	three full-time employee positions in each fiscal year to manage and oversee		
11	the project.		
12	8. <u>Privatized lease to own</u>		
13	<u>capital improvements</u>	\$ 889,700	- 0 -
14	Fund source:		
15	State general fund	\$ 889,700	- 0 -
16	9. <u>Privatized lease to own</u>		
17	<u>backfill space renovations</u>	\$ 213,700	\$ 3,053,000
18	Fund sources:		
19	Capital outlay stabilization fund	\$ 213,700	\$ 2,753,000
20	Certificates of participation fund	- 0 -	\$ 300,000
21	10. <u>Privatized lease to own backfill</u>		
22	<u>agency relocations</u>	\$ 50,000	\$ 1,007,000
23	Fund source:		
24	Certificates of participation fund	\$ 50,000	\$ 1,007,000
25	11. <u>Arizona pioneers' home plumbing</u>		
26	<u>renovations</u>	\$ 325,200	- 0 -
27	Fund source:		
28	Miners' hospital fund	\$ 325,200	- 0 -
29	Total appropriation - department		
30	of administration	\$ 24,809,000	\$ 6,052,100
31	Fund sources:		
32	State general fund	\$ 1,317,400	- 0 -
33	Corrections fund	\$ 22,740,300	\$ 1,848,600
34	Capital outlay stabilization fund	\$ 213,700	\$ 2,753,000
35	Certificates of participation fund	\$ 212,400	\$ 1,450,500
36	Miners' hospital fund	\$ 325,200	- 0 -
37	Sec. 7. <u>Capital outlay appropriations; major capital projects;</u>		
38	<u>game and fish department</u>		
39		<u>2001-02</u>	<u>2002-03</u>
40	Game and fish department:		
41	1. <u>Facilities improvements</u>	\$ 170,000	\$ 170,000
42	Fund source:		
43	Game and fish fund	\$ 170,000	\$ 170,000

1	2. <u>Shooting range development</u>	\$ 100,000	\$ 100,000
2	Fund source:		
3	Game and fish fund	\$ 100,000	\$ 100,000
4	3. <u>Flagstaff shooting range</u>		
5	development	\$ 500,000	\$ 500,000
6	Fund source:		
7	Game and fish capital improvement		
8	fund	\$ 500,000	\$ 500,000
9	4. <u>Pinetop regional office expansion</u>	\$ 300,000	- 0 -
10	Fund source:		
11	Game and fish capital improvement		
12	fund	\$ 300,000	- 0 -
13	5. <u>Expansion and renovation of</u>		
14	game and fish headquarters	\$ 500,000	\$ 800,000
15	Fund source:		
16	Game and fish capital improvement		
17	fund	\$ 500,000	\$ 800,000
18	6. <u>Migratory waterfowl development</u>	\$ 100,000	\$ 100,000
19	Fund source:		
20	Waterfowl conservation fund	\$ 100,000	\$ 100,000
21	Total appropriation - game and		
22	fish department	\$ 1,670,000	\$ 1,670,000
23	Fund sources:		
24	Game and fish fund	\$ 270,000	\$ 270,000
25	Game and fish capital improvement		
26	fund	\$ 1,300,000	\$ 1,300,000
27	Waterfowl conservation fund	\$ 100,000	\$ 100,000
28	Sec. 8. <u>Capital outlay appropriations; major capital projects;</u>		
29	<u>department of transportation</u>		
30		<u>2001-02</u>	<u>2002-03</u>
31	Department of transportation:		
32	1. <u>Payson MVD service center</u>	\$ 856,000	- 0 -
33	2. <u>West Phoenix MVD service center</u>	\$ 1,331,000	- 0 -
34	3. <u>Surprise MVD service center</u>	\$ 2,253,000	- 0 -
35	4. <u>Marana MVD service center</u>	\$ 1,092,000	\$ 2,188,000
36	5. <u>Asbestos and lead inspections</u>	\$ 700,000	\$ 600,000
37	6. <u>Equipment racks</u>	\$ 280,000	- 0 -
38	7. <u>Holbrook maintenance yard sewer</u>		
39	system	\$ 257,000	- 0 -
40	8. <u>Vehicle wash buildings</u>	\$ 554,000	\$ 554,000
41	9. <u>De-icer buildings</u>	\$ 800,000	\$ 800,000
42	10. <u>East valley maintenance yard</u>	- 0 -	\$ 1,184,000
43	11. <u>Tucson lab expansion</u>	\$ 160,000	- 0 -
44	12. <u>Sign and supply warehouses</u>	\$ 708,000	\$ 708,000
45	13. <u>Highway construction</u>	\$277,963,000	\$303,864,000

The amounts appropriated for highway construction are from the state highway fund for the planning and construction of state highways, including the national system of interstate highways within this state, the state primary or secondary system, the county primary or secondary system and urban rural routes, the acquisition of rights-of-way, the cost of field administration and field engineering on construction projects and debt service payments on bonds issued for highway construction. Any balances and collections in the state highway fund in excess of the specific amounts appropriated in the general appropriations act and in this act are appropriated to the department for the purposes provided in this paragraph.

Of the amounts appropriated from the state highway fund for the planning and construction of state highways, the department may allocate up to \$30,025,100 for personal services and employee related expenditures for up to 619 full-time employee positions in fiscal year 2001-2002, and up to \$31,003,800 for personal services and employee related expenditures for up to 619 full-time employee positions in fiscal year 2002-2003. Before the expenditure of any operating budget monies from the capital budget, the department of transportation shall submit information on any operating budget expenses funded from the capital budget to the joint committee on capital review by July 1, 2001 and July 1, 2002 for review. The submittal shall contain at least as much detail as the department's annual operating budget request. Operating budget expenditures include any expenditure for personal services, employee related expenditures, professional and outside services, travel in state, travel out of state and other operating expenditures.

14. Airport planning and development      \$ 10,667,000      \$ 10,660,000

Fund source:

State aviation fund      \$ 10,667,000      \$ 10,660,000

The amounts are appropriated from the state aviation fund for the planning, construction, development and improvement of state, county, city or town airports as determined by the state transportation board. Any balances and collections in the state aviation fund in excess of the specific amounts appropriated in the general appropriation act and in this act are appropriated to the department of transportation for the purposes provided in this paragraph.

Total appropriation - department of

transportation      \$297,621,000      \$320,558,000

Fund sources:

State highway fund      \$286,954,000      \$309,898,000

State aviation fund      \$ 10,667,000      \$ 10,660,000

Sec. 9. Capital outlay appropriations; major capital projects;

Arizona state university

2001-02

Arizona state university:

1. Digital television conversion      \$ 1,500,000

Fund source:

State general fund \$ 1,500,000

Sec. 10. Capital outlay appropriations; major capital projects;  
university of Arizona

2001-02

University of Arizona:

1. Digital television conversion \$ 2,500,000

Fund source:

State general fund \$ 2,500,000

Sec. 11. Appropriations; state health laboratory; lease  
purchase

A. The sum of \$2,342,900 is appropriated from the state general fund in ~~fiscal year 2001-2002~~ and fiscal year 2002-2003 to the department of administration for the certificates of participation costs for the lease purchase of the design and construction of a state health laboratory and related infrastructure. Of the amounts appropriated, up to \$165,000 and three full-time employees may be allocated each fiscal year to oversee and manage the project until its completion.

B. In accordance with the provisions of section 41-791.02, Arizona Revised Statutes, the director of the department of administration may enter into a lease purchase agreement for the issuance of certificates of participation in an amount not to exceed \$30,000,000 for the purposes described in subsection A of this section.

Sec. 12. Appropriations; state archives building; lease  
purchase; name

A. The sum of \$1,600,000 is appropriated from the state general fund in ~~each of the fiscal years 2001-2002 and 2002-2003~~ to the department of administration for the certificates of participation costs for the lease purchase of the design and construction of a state archives building and related infrastructure. Of the amounts appropriated, up to \$110,000 and 2 full-time employees may be allocated each fiscal year to oversee and manage the project until its completion.

B. In accordance with the provisions of section 41-791.02, Arizona Revised Statutes, the director of the department of administration may enter into a lease purchase agreement for the issuance of certificates of participation in an amount not to exceed \$20,000,000 for the purposes described in subsection A of this section.

C. The building shall be named after Polly Rosenbaum.

D. Any monies that are unexpended or unencumbered at the end of each fiscal year shall revert to the state general fund.

Sec. 13. Department of administration reports; full-time  
employee positions; reallocations

A. The department of administration shall report on the status of project-specific full-time employee positions for capital projects in its annual capital budget request.

1 B. The department of administration may allocate FTE positions  
2 authorized for specific projects to other projects in this act provided that  
3 funding for the FTE positions is cost allocated among the projects receiving  
4 benefit. The department of administration shall report any FTE position  
5 reallocations to the joint committee on capital review by December 31, 2001  
6 and December 31, 2002.

7 Sec. 14. Use of appropriations; limitation

8 A. Unless otherwise specified, the monies appropriated in this act  
9 shall not be spent for personal services or employee related expenditures of  
10 state employees, excluding any services provided as part of the inmate  
11 construction program for correctional facilities.

12 B. Monies appropriated for specific projects in this act may be used  
13 for personal services or employee related expenditures related to direct  
14 inmate expenses associated with services provided as part of the inmate  
15 construction program.

16 Sec. 15. Lapsing; exemption

17 Unless otherwise specified, the appropriations made in this act do not  
18 lapse until the purpose for which the appropriation was made has been  
19 accomplished or abandoned, or the appropriation stands for a full fiscal year  
20 without an expenditure or an encumbrance.

APPROVED BY THE GOVERNOR APRIL 24, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2001.

Passed the House April 11, 2001,

Passed the Senate April 12, 2001,


by the following vote: 52 Ayes,

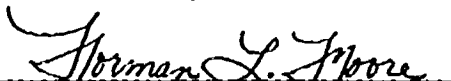
by the following vote: 23 Ayes,


4 Nays, 4 Not Voting

7 Nays, 0 Not Voting

  
Speaker of the House

  
President of the Senate

  
Chief Clerk of the House

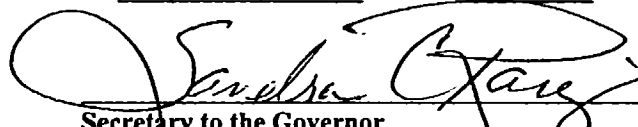
  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

18 day of April, 2001,

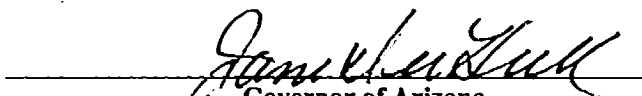
at 9:44 o'clock A M.

  
Secretary to the Governor

Approved this 24 day of

April, 2001,

at 3:24 o'clock P M.

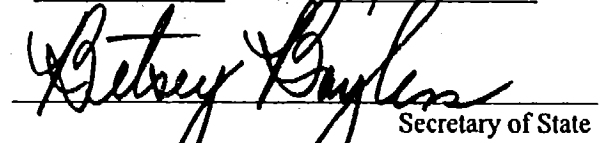
  
Governor of Arizona

H.B. 2632

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 24 day of April, 2001,

at 7:37 o'clock P M.

  
Secretary of State